



## NOTICE FILING REQUIREMENTS FOR MULTI-LEVEL MARKETING COMPANIES

1. It is unlawful for a person to transact business in this state as a multi-level marketing company unless the person:
  - a. Has filed with the Commissioner, or
  - b. Is a member of the Direct Selling Association
2. A multi-level marketing company may file by submitting the requisite form prescribed by the Commissioner. The filing must be submitted to the CSI by certified mail.
3. A filing by a multi-level marketing company:
  - a. Is effective until December 31 following filing; and
  - b. Requires an annual notice each year, thereafter, of the Company's operation.
4. A multi-level marketing company may continue its filing in this state, by submitting an updated Form MLD indicating any material change in the information contained in the original form on or before December 31 of each consecutive year.

### INITIAL FILING CHECKLIST:

- Include the sales kit
- Include all marketing, sales material and agreements provided to new participants
- Include the company's policies and procedures
- Include the company compensation plan
- Provide a list of Montana participants, including their full name, address, phone number, amount invested, amount compensated, date joined and the name of the sponsor. (Upon receipt at the CSI, a spreadsheet may be requested in excel format)
- Consent of Service of Process
- MLD-1 is sent via certified mail



# UNIFORM NOTICE FOR MULTI-LEVEL MARKETING COMPANIES

This filing is:    An Initial    An Amendment    A Renewal  
*(An Initial Filing must be accompanied by completed Schedules A & B and a Consent to Service of Process. See attached forms.)*

COMPANY NAME		MT FILE # (Renewing or Amending)	
NAME UNDER WHICH BUSINESS IS CONDUCTED, IF DIFFERENT			
IF COMPANY OR BUSINESS NAME IS BEING AMENDED, GIVE PREVIOUS NAME			
CORPORATE ADDRESS (Actual Phycial Address)	CITY	STATE	ZIP
MAILING ADDRESS (if different)	CITY	STATE	ZIP
EMAIL ADDRESS	WEBSITE	PHONE #	

## EXECUTION

Both the undersigned and the above-named multi-level marketing company represent that the information and statements contained herein, including attached schedules, exhibits and other information fields herewith, are current, true, and complete. Both parties further represent that, to the extent that any information previously submitted is not amended, such information is currently accurate and complete.

DATE	SIGNATURE	STATE OF INCORPORATION
TYPE NAME AND TITLE		

Schedule A of MLD-1

List below all individuals who have direct responsibility for the management of the multi-level marketing company. Also include each beneficial owner having the power to vote or dispose of 10% or more of a class of equity securities of the Company:

PRESIDENT OR CEO (Full Legal Name)	DATE OF BIRTH	TITLE
MAILING ADDRESS (City, State, Zip)		EMAIL ADDRESS

PRESIDENT OR CEO (Full Legal Name)	DATE OF BIRTH	TITLE
MAILING ADDRESS (City, State, Zip)		EMAIL ADDRESS

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PRESIDENT OR CEO (Full Legal Name)	DATE OF BIRTH	TITLE
MAILING ADDRESS (City, State, Zip)		EMAIL ADDRESS



Schedule B of MLD-1

Name of Multi-Level Marketing Company \_\_\_\_\_

Date \_\_\_\_\_

In addition to the following, please attach a copy of all marketing and sales material provided to new participants. Include a copy of the Company's policies & procedures manual.

Please complete the following sections:

**A. PRODUCTS & SERVICES**

Primary products and services \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Brand Names \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Retail Price Range (per single item) from \$ \_\_\_\_\_ to \$ \_\_\_\_\_

Has the Company ever been or is it currently a member of the Direct Selling Association? Yes No

**B. PARTICIPANT'S INITIAL COSTS**

Cost of sales kit (Start-Up) \$ \_\_\_\_\_

Is the sales kit required? Yes No (Provide the CSI with a sales kit) Initial Only

Is the sales kit offered at cost? Yes No

Cost of Required Inventory Purchases: \_\_\_\_\_

How long does a participant have to cancel the agreement for a full refund of any consideration paid? (Please include document and page number where the cancellation policy is published) \_\_\_\_\_

What is the total minimum cost to the participant for the first six months of operation?  
\_\_\_\_\_



Schedule B of MLD-1

### C. INVENTORY BUY-BACK POLICY

Does the Company have a buy-back policy in place? Yes    No

If yes, please indicate:

Percentage \_\_\_\_\_%

What is the time limitation for the buy-back policy? \_\_\_\_\_

Does it include the sales kit? Yes    No

What products, if any, are not included in the policy? *(Please explain why)* \_\_\_\_\_

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Where is the buy-back policy published? *(Please include the document and page number)* \_\_\_\_\_

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### D. COMPENSATION STRUCTURE

Compensation structure: Multilevel    Single Level

If multilevel, what percentage of the total compensation paid to participants, is from recruitment?

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Number of participants in Montana: \_\_\_\_\_

**Initial filing only: Provide a list of Montana resident participants, including their full name, address, phone number, amount invested, amount compensated, date joined and name of the sponsor.**

Are there any minimum purchases and/or sales required to remain an active participant or to receive commission? Yes    No

Schedule B of MLD-1

**E. SALES**

Estimated annual volume: \$ \_\_\_\_\_ Yes No

Retail *(actual or range)*:

- A Less than \$2.5 million
- B \$2.5 - \$10 million
- C \$10.1 - \$25 million
- D \$25.1 - \$50 million
- E \$50.1 - \$100 million
- F \$100.1 - \$500 million
- G More than \$500 million

Primary sales approach:

Individual/person-to-person      Party plan/group sales      Combination

DATE	NAME OF MULTI-LEVEL MARKETING COMPANY	
SIGNATURE	TYPE NAME AND TITLE	

*Please return this form via certified mail to:*

**Commissioner of Securities and Insurance**  
**Office of the Montana State Auditor Securities Department**  
**840 Helena Avenue**  
**Helena, Montana 59601**



## UNIFORM CONSENT TO SERVICE PROCESS

KNOW ALL PEOPLE BY THESE PRESENTS:

That the undersigned \_\_\_\_\_, organized under the laws of \_\_\_\_\_ for purposes of complying with the laws of the State of Montana relating to either the sale, distribution or supplying of goods or services through independent agents, contractors, or distributions at different levels of distribution through a multi-level marketing company, hereby irrevocably appoints the Commissioner of Securities and Insurance, Montana State Auditor and successors in such office, its attorney in the State of Montana upon whom may be serviced any notice, process, or pleading in any action or proceeding against it arising out of, or in connection with, the sale, distribution or supplying of goods or services through a multi-level marketing company or out of violation of the aforesaid laws of the State of Montana; and the undersigned does hereby consent that any such action or proceeding against it may be commenced in any court of competent jurisdiction and proper venue within Montana by service of process upon the officers so designated with the same effect as if the undersigned was organized or created under the laws of that State and have been served lawfully with process in that State. The Company requests that a copy of any notice, process or pleading served hereunder be mailed to the Company or its agents at the following address:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Address

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

## AGENT FOR SERVICE OF PROCESS FACT SHEET

The Office of the Commissioner of Securities and Insurance, Montana State Auditor (CSI) is charged with the duties of regulating the insurance and securities industry in Montana. Pursuant to Montana statute, the Commissioner of Securities and Insurance, Montana State Auditor (Commissioner), in performing those duties, shall act as the agent for Service of Process under certain circumstances.

### WHAT ENTITIES DOES THE COMMISSIONER ACT AS AGENT FOR?

- All insurance companies doing business in Montana;
- Non-resident insurance producers (agents);
- Risk Retention and Purchasing Groups registered in Montana;
- All securities issuers registered or notice filed with the CSI;
- All broker/dealer firms doing business in Montana;
- All investment advisory firms doing business in Montana;
- All securities salespersons doing business in Montana;
- All licensed firms and persons offering or selling living trusts in Montana;
- All multi-level marketing companies doing business in Montana.

### WHAT ITEMS NEED TO BE SENT TO THE COMMISSIONER?

- Duplicate (two) copies of all Service of Process. (Original summons not needed.)
- \$10.00 service fee per insurance company. There is no service fee for securities companies.  
***Payable to the Montana State Auditor.***
- Specific company name. (The Commissioner cannot accept service for a group of companies.)
- One signed original and one copy of the notice and acknowledgement of service (if sent by mail.)

### HOW IS SERVICE DELIVERED TO THE COMMISSIONER?

- U.S. Postal Service
- Personal Delivery
- Sheriff's Office
- Process Server
- Levying Officer

### WHAT STATUTES ARE REFERENCED FOR SERVICE OF PROCESS?

#### Mont. Code Ann.:

§30-10-208	Serving process—brokers/dealers, investment advisers, multi-level marketing companies, securities salespersons
§30-10-908	Serving process—living trust
§30-10-327(1)(ii)	Consent to Service—multi-level marketing company
§25-20-II-4D(1)(b)(i)	Montana Rules of Civil Procedure